

In many ways, this bill is nothing new, because much of this is in current law; but in many ways, fundamental ways, it is new, because it opens up to new services, it opens up to new battles, it opens us up to new communities. With this bill, we can make a difference in lives, in neighborhoods, in communities all across America. This is the right thing to do.

Our President has pledged us as a Nation in his inaugural address that when we see that wounded traveler on the road to Jericho, we will not step to the other side. This legislation will ensure that that is the case.

I am proud of this legislation. I think this rule makes sense. I look forward to the debate, and I look forward to passing this law and sending it on to the Senate and the President's desk.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi (Mr. SHOWS).

Mr. SHOWS. Mr. Speaker, I thank the gentleman from Ohio for yielding me time.

Mr. Speaker, I appreciate the opportunity presented because of this bill being introduced. I rise today to express my strong support of H.R. 7, the Community Solutions Act of 2001. This bill is long overdue.

I come from a small town in rural Mississippi called Bassfield, population 350, which is home to a few hundred families who work hard every day. I invite you and my colleagues to visit Bassfield and see what it is like in a real small town outside the Beltway. In my town, churches and other houses of worship and religious institutions are the bedrock of the community. This is true in small towns and big cities across the country.

Where I come from, faith and family are common values; and, unlike Washington, when people in Bassfield need help, they do not look to the Government first, they look to the family and neighbors.

We cannot put a fence around the churches in Bassfield or anywhere else. It is impossible, because religious institutions are and will always be central to the lives of our communities. They do it because it is the right thing to do, and they do it well.

It does not make sense to reinvent the wheel to establish government programs to provide services in communities where services already exist in an overzealous effort to isolate religious from public policy.

We must respect the foresight of our Founding Fathers, who knew that our new democracy could not permit one religion to prevail over others. But they also knew that our country was funded on the basic freedom to express one's religion, not to silence it. While we must respect the separation of church and State, we must also respect the rights of people of faith.

Mr. Speaker, we always walk a fine line when we consider religion and public policy in the same breath; but in the Community Solutions Act, I be-

lieve we have crafted a bill that respects the separation of church and State, and, at the same time, tolerates the rights of all Americans to practice their religion.

We have crafted a measure that affords people in big cities and small towns across the country the opportunity to receive essential services from the people who know them best, their faith-based institutions that already are the core of their communities. In a civil society in our democracy we tolerate the views and religions of others. In this spirit, I believe we can allow faith-based institutions to be our partners in communities. Indeed, they already are.

Ms. PRYCE of Ohio. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from Florida (Mr. STEARNS).

(Mr. STEARNS asked and was given permission to revise and extend his remarks, and include extraneous material.)

Mr. STEARNS. Mr. Speaker, I thank the gentlewoman for yielding me time.

Mr. Speaker, let me address two points. I do not know if my colleague from Massachusetts is still in the Chamber, but this Charitable Choice exists in Federal programs already. In addition, the House has provided passage of Charitable Choice in child support, the Home Ownership Act, Fathers Count Act of 11/10/99, and also the Juvenile Justice bill. So we have four cases where Charitable Choice is already in place.

So for folks to come on the House floor and say vote against the rule because this is not fair, this is a great constitutional question, that is not true. However, President Clinton already signed into law four of these Charitable Choice pieces of legislation.

Mr. Speaker, I am here because contained in the base bill, I have a bill that was incorporated, and I want to thank the gentleman from California (Chairman THOMAS) and the gentleman from Oklahoma (Mr. WATTS) for giving consideration to my bill, which repeals the excise tax on the net investment income for private foundations. I would also like to thank my colleagues who have cosponsored this legislation.

Though, of course, full repeal of the 2 percent excise tax on private foundations would have been preferable, I want to thank my friends on the Committee on Ways and Means for eliminating the two-tier system and simplifying the tax to a flat 1 percent.

The tax was originally enacted in 1969 as a way to offset the cost of government audit of these charitable organizations. In 1990, the excise tax raised \$204 million, and they conducted 1,200 audits of private foundations. Then in 1999, the excise tax raised \$500 million, and the IRS only did roughly about 200 audits.

So private foundations generally must make annual distributions for charitable purposes equal to roughly 5 percent of their fair market value of

the foundation's endowment assets. The excise tax acts as a credit in reducing this requirement.

So I am glad my bill is part of the base bill. It is a tax cut. I want to again remind my colleagues to vote for the rule.

Mr. Speaker, I first want to thank Chairman THOMAS, along with Congressman WATTS, for giving consideration to my bill H.R. 804—a bill to repeal the excise tax on the net investment income for private foundations. I would also like to thank my colleagues who have cosponsored this legislation.

Though, of course, full repeal of the 2 percent excise tax on private foundations would have been preferable, I want to thank my friends on the Ways and Means Committee for eliminating the two-tiered system and simplifying the tax to a flat 1 percent.

The tax was originally enacted in the Tax Reform Act of 1969 as a way to offset the cost of government audits of these organizations. In 1990, the excise tax raised \$204 million and the IRS conducted 1,200 audits of private foundations. In 1999, the last year for which figures are available, the excise tax raised \$499.6 million with the IRS conducting 191 audits.

Private foundations generally must make annual distributions for charitable purposes equal to roughly 5 percent of the fair market value of the foundation's endowment assets. The excise tax paid acts as a credit in reducing the 5 percent requirement.

By reducing the excise tax, we are placing needed money into the hands of our nation's charities. I thank Chairman THOMAS and Congressman WATTS for their leadership and support.

Across this country, faith-based charitable organizations have brought healing to broken lives and suffering communities by providing emergency services, drug treatment, after school programs, as well as many other vital services. However, too often the Federal Government has valued process over performance and not welcomed faith-based charities as partners in fighting social ills.

To address this bias Congress has repeatedly supported a program called Charitable Choice. This idea is not revolutionary. It has been adopted four separate times by bipartisan majorities and was signed into law by President Clinton each time, the first being the landmark welfare reform legislation in 1996. Charitable Choice is bipartisan, consensus law that expands options for needy Americans while safeguarding the character of faith-based charities and protects the rights of beneficiaries.

In fact, it already exists in Federal law and applies to three domestic programs. It enjoys broad support because it is not a special fund for religious charities; it simply makes faith-based groups eligible to compete for Federal dollars.

Charitable Choice corrects this prejudice that discriminates against charities on the sole basis of their belief system. This program because it is grounded in the Constitution, requires nondiscrimination. It includes all people of goodwill—whether Methodists, Muslim, Mormon, or good people of no faith at all.

It preserves the first amendment because it insists on a separation between programs operating on the Federal dollar and those operating on the private dollar. Faith-based organizations may make federal programs available